



DEPARTMENT OF THE ARMY
U.S. ARMY CORPS OF ENGINEERS
WASHINGTON, D.C. 20314-1000

CECW-I

MEMORANDUM FOR: Commanders, Major Subordinate Commands and Districts

SUBJECT: Fiscal Year (FY) 2008 Capabilities

1. References:

- a. EC 11-2-189, Execution of Annual Civil Works Program, 31 Dec 05.
- b. EC 11-2-187, FY2008 Program Development Guidance, 31 Mar 06.
- c. CEPR-ZB memorandum, 22 Mar 06, subject: PARC Instruction Letter (PIL) 2006-05, Continuing Contracts and Incrementally Funded Contracts for Fiscal Year 2006.
- d. CECW-IP memorandum, 1 May 06, subject: Continuing Contracts for Operation and Maintenance Work

2. The purpose of this memorandum is to provide guidance for establishing the Fiscal Year (FY) 2008 capabilities. This guidance applies to all Civil Works activities, excluding the Continuing Authorities Program (CAP). Commanders are urged to personally assure that capability estimates are current, accurate and executable, so that Congress will have the most accurate capability estimates.

3. Fiscal Year 2008 capabilities are to be entered into the PRISM/PBS database with appropriate incremental levels. Suspense for updating capabilities in the system is COB 11 Apr 07. Following this suspense, each MSC will lock capabilities. As in previous years, we anticipate that the House and Senate Appropriations Subcommittees will provide opportunities prior to final conferencing of the Energy and Water Development Appropriation (E&WDA) Bill to update cost estimates and capability amounts based on actual FY2007 execution. However, from this point forward through the Hearings and preparation of Member's Request Fact Sheets, it will be essential to our credibility that we maintain uniformity at all levels of the organization when discussing capability amounts.

4. Enclosed are instructions for the development of your capabilities for the FY2008 program. Additional instructions for updating capabilities are included in Section B - II of the PRISM Users Manual. Specific items to consider as you develop your capabilities are as follows:

- a. In developing FY2008 obligation based capabilities, you are to assume contracts funded under the Construction Account that are less than \$15 million in value are to be fully funded. For contracts greater than \$15 million, use of the continuing contract or incrementally funded contract clause is to be based on guidance contained in references 1a and 1c. The capability amount for each contract is to include construction work, and its associated E&D and S&A.

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b. In developing FY2008 obligation based capabilities, assumptions for use of the continuing contract clause is to be based on guidance contained in references 1a and 1d. The capability amount for each contract is to include construction work, and its associated E&D and S&A.

c. For projects funded in the FY2008 Construction Account President's budget request, the capability amount used in the development and evaluation of project needs were critical benchmarks for determining the FY2008 project budget amounts. As such, the capability amounts for these projects are fixed. There will be other times for updating the project capability through general updates of capabilities just before markups and conference.

d. Capabilities are to be broken into useful increments and documented in PRISM. The incremental capability amounts in PRISM should be consistent with the "amount that could be used" paragraph in the Member's Request Fact Sheets.

e. Capabilities for FY2008 will be shown in terms of both expenditures and obligations. PRISM (Capability Maintenance Item #4 on PBS Main Menu) has been updated to allow input of obligation capabilities for each useful increment of work. The incremental obligation capabilities, plus President's budget, will add up to the total obligation capability. The expenditure capability amount is a data field which will only include the total amount.

5. If you have any questions on this guidance, my point of contact is Mr. Joseph Bittner. He can be reached at (202) 761-4130.

FOR THE COMMANDER:



GARY A. LOEW

Chief, Programs Integration Division
Directorate of Civil Works



CORPS OF ENGINEERS --CIVIL

CAPABILITIES

FISCAL YEAR 2008



Preface

The guidance for Capabilities has been formatted in an attempt to provide a more complete reference guide for both primary users and other parties as a source for the programs management and the appropriations processes. With your input, we believe we can continue to revise and improve this as a reference guide of even greater utility to serve as an essential tool for the Programs and Project Management Business Process (PMBP). Accordingly, please provide your suggestions to CECW-I on how to make this a better source document for the PMBP.

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ENCLOSURES

FISCAL YEAR 2008 FUNDING CAPABILITIES

CAPABILITIES OVERVIEW

Capabilities are an important part of the appropriations process. Approved funding capabilities indicate the Corps ability to use funds. As evidenced by appropriations, they are of primary concern to local interests and Congress, who use them in establishing their own annual program priorities. Therefore, an accurate statement of funding capabilities is an important responsibility of the Corps. The Corps must comply with Administration policy while also maintaining credibility with Congress by performing in accordance with stated capabilities for individual items. Historically, funds provided for items with unbudgeted capability have constituted a significant part of year-end unexpended balances. In view of this, statements of capabilities must be conservative and realistic, and, to that end, guidance in the references and following instructions are to be followed carefully. Therefore, capabilities will not be disclosed until approved by MSCs, and then, only in response to specific requests and in accordance with qualifying language.

Establishment of Capabilities requires an understanding and consideration of the both the appropriations process and the program management of the business programs as well as individual projects and studies. A brief overview of these considerations includes the following topics which are covered in greater detail in this guidance.

A. MEANING OF CAPABILITY (Funding)

1. Ability to utilize funds.
2. Individual study/project.
3. District.

B. PURPOSE

1. Furnish information on ability to utilize funds.
2. Of prime concern to Congressional and local interests.
3. End result is to permit Congress an opportunity to establish its priorities.

C. RESPONSIBILITIES

1. Determined by District Commander.
2. Reviewed integrated and approved by Division Commander.

D. CRITERIA

1. Realistic and engineeringly efficient.
2. Beneficial.
 - a. Advance useful increment.
 - b. Advance completion.
3. Must comply with Administration policies or be foot-noted to indicate non-compliance
 - a. Flood damage prevention and commercial navigation, including associated M&I water supply and hydropower, and mitigation, restoration or protection of environmental resources.
 - b. Cost sharing and financing

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CAPABILITIES OVERVIEW (continued)

E. PREMISES

1. Approval of President's Budget.
2. Manpower (Contract/Hired Labor).
3. Date funds available.
 - a. New Starts - 1 October.
 - b. Continuing - 1 October.
4. Funds for individual project or study superimposed on basic program as next-added increment.

F. CONSIDERATIONS

1. Authorization.
2. Classification (List all "active" studies and projects).
3. Local support.
4. Assurances.
5. Environmental Impact Statement (EIS).
6. PED Completion; Engineering and Design (E&D).
7. Litigation.
8. Benefit-Cost Ratio (BCR).
9. Rate of Funding.
10. New or Continuing.

G. PURPOSE OF ADDITIONAL CAPABILITY

1. Initiate/Resume/Advance Work or Study/Project.
2. Physical Performance and Schedule Advance.
3. Reason for Zero Capability.
4. Criteria and Standard Statements of Capability are Provided.

H. DISCLOSURE

1. Conditions for Release.
 - a. After President's Budget Message.
 - b. After HQUSACE approval.
 - c. Only in response to specific request
 - d. Expected to support President's Budget.
 - e. In writing.
2. Qualifying statement precisely as prescribed by OASA(CW) and HQUSACE.
3. Maintain record of disclosures.
4. Updates (also HQUSACE updates for Committees).

I. DISTRICT CAPABILITIES (By PROGRAM)

1. Studies.
2. Preconstruction Engineering and Design (PED).
3. Construction.

FISCAL YEAR 2008 FUNDING CAPABILITIES

4. Operation and Maintenance (O&M).CAPABILITIES OVERVIEW (continued)
5. FUSRAP.

SECTION 1 - GENERAL GUIDANCE

- 1-1. Purpose:** This memorandum provides guidance for the development of Capabilities for the Fiscal Year 2008 program.
- 1-2. Availability:** This guidance is available on the Civil Works Programs Management web site: <http://www.usace.army.mil/cw/cecw/>
- 1-3. References.**
- a. ER 11-2-101
 - b. ER 11-2-220
 - c. ER 11-2-240 (particularly Appendix L)
 - d. EC 11-2-187, 31 March 2005.
 - e. CECW-BD memo, 28 December 1999, subject: Executive Branch Policy Regarding Disclosure of Information on the Civil Works Program and Budget.
 - f. PRISM Users Manual, July 1999 version, with all subsequent revisions

- 1-4. Conventions.** The following designations are used for selected one-year periods:
- CCY** = current calendar year
- CFY** = current fiscal year (extending from 1 October CCY to 30 September CCY+1 before 1 January, latest, and 1 October CCY-1 to 30 September CCY thereafter)
- PY = program year (CFY+2 before 1 October, next, and CFY+1 thereafter) = FY08**
- PY - 1 = one year before PY = FY07
- PY - 2 = two years before PY (CFY before 1 October, next, and CFY-1 thereafter) = FY06
- PY - 3 = three years before PY (CFY-1 before 1 October, next, and CFY-2 thereafter) = FY05
- PY + N = program year plus N fiscal years.

Note that 1 October of PY-1 is 1 October of CCY, until 1 January, next, when it becomes 1 October of CCY-1.

- 1-4. Purpose of Funding Capabilities.** Approved funding capabilities indicate the Corps' ability to use funds. As evidenced by appropriations, they are of primary concern to local interests and Congress, who use them in establishing their own annual program priorities. Therefore, an accurate statement of funding capabilities is an important responsibility of the Corps. Congress' view of funding capabilities is presented in Exhibit 1-1, and is based on Senate Report 94-505.

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Disclosure of Approved Capabilities. In accordance with Reference 1-3.e., all elements of the Corps are expected to support the President's budget decisions. Therefore, capabilities will not be disclosed until approved by the MSC, and, then, only in response to specific requests and in accordance with qualifying language. Qualifying language for disclosure of capabilities is contained in Exhibit 1-2. Usually, information on capabilities is provided in writing only; however, if, for some reason it is given orally, it is then confirmed in writing, immediately. Exhibit 1-3 is a sample format for use as an enclosure to any letter disclosing capabilities.

FISCAL YEAR 2008 FUNDING CAPABILITIES

**EXHIBIT 1-1
SENATE REPORT LANGUAGE****Senate Report 94-505:**

“The Committee believes that there is much misunderstanding regarding the longstanding practice and use of ‘capability’ as it relates to funding for Civil Works projects. Therefore, the following explanation of ‘capability’ is offered:

The capability for each individual study or project is the amount, which can be efficiently utilized during the budget fiscal year without regard to fiscal constraints but with full recognition of personnel restraints, sound engineering practice and the timing of funds availability. Further, capabilities are based on the premise that the additional amount for any individual project or investigation is superimposed on the basic program presented in the President’s Budget; and that it is the maximum amount which can be effectively and economically utilized on the particular project as the next-added increment (each project considered as a separate increment) to the basic program.”

The Administration’s view of funding capabilities differs from Congress’ to the extent that capability items are not in the President’s Budget, and therefore, compete with budgeted items for available funds and manpower. The President’s Budget includes amounts consistent with the Administration’s assessment of national priorities for Federal investments and the objective of avoiding large budget deficits. Therefore, while additional funds could be used on individual projects and studies, offsetting reductions must be made to maintain the Administration’s overall budgetary objectives. This view is reflected in the qualifying language of Exhibit 1-2, to be used when disclosing approved capabilities.

FISCAL YEAR 2008 FUNDING CAPABILITIES

EXHIBIT 1-2

**Qualifying Language to be used when disclosing
Approved Capabilities**

“Although project and study capabilities reflect the readiness of the work for accomplishment, they are in competition for available funds and manpower Army-wide. In this context, the FY_ capability amounts shown consider each project or study by itself without reference to the rest of the program. However, it is emphasized that the total amount proposed for the Army’s Civil Works Program in the President’s budget for FY is the appropriate amount consistent with the Administration’s assessment of national priorities for Federal investments. In addition, the total amount proposed for the Army’s Civil Works Program in the President’s Budget is the maximum that can be efficiently and effectively used. Therefore, while we could utilize additional funds on individual projects and studies, offsetting reductions would be required in order to maintain our overall budgetary objectives.”

“Non-deferrable” is work that should be accomplished in the budget year to avoid further deterioration or a reduction in project benefits.

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Exhibit 1-3
CORPS OF ENGINEERS
FUNDING CAPABILITIES FOR FY _ 1/
IN _____ 2/

DATE:

CATEGORY 3/ ADDITIONAL	NAME OF SURVEY OR PROJECT CAPABILITY	PURPOSE OF CAPABILITY
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(SAMPLE FORMAT FOR USE AS AN ENCLOSURE TO A LETTER)

1/ Although project and study capabilities reflect the readiness of the work for accomplishment, they are in competition for available funds and manpower Army-wide. In this context, the FY __ capability amounts shown consider each project or study by itself without reference to the rest of the program. However, it is emphasized that the total amount proposed for the Army's Civil Works Program in the President's budget for FY__ is the appropriate amount consistent with the Administration's assessment of national priorities for Federal investments. In addition, the total amount proposed for the Army's Civil Works Program in the President's Budget is the maximum that can be efficiently and effectively used. Therefore, while we could utilize additional funds on individual projects and studies, offsetting reductions would be required in order to maintain our overall budgetary objectives.

2/ Indicate State, Congressional District, or other regional designation when applicable.

3/ Categories include Study (S), PED (P), Construction (C), Major Rehabilitation (MR), Dam Safety Assurance (DS), and Operation and Maintenance (O&M), and Formerly Utilized Sites Remedial Action Program (FUSRAP).

NOTE: This Table should be in Horizontal format (see page 39 for corrected copy).

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SECTION 2 - PROGRAM GUIDANCE

2-1 General Guidance. The Corps must comply with Administration policy while also maintaining credibility with Congress by performing in accordance with stated capabilities for individual items. Historically, funds provided for items with unbudgeted capability have constituted a significant part of year-end unexpended balances. In view of this, statements of capabilities must be conservative and realistic, and, to that end, guidance in the references and following instructions are to be followed carefully.

2-2 Capability Program. For each of its GI, CG, and MR&T accounts, as applicable, each MSC's must develop a realistic multiyear program reflecting PY-2 work allowances and capability-level production. Additional new starts, non-cost-shared elements of studies and projects, separable elements, and restudies should be considered for this program. Any proposal to advance the latest schedule submitted to Congress for a particular study, project, or activity should be specifically identified. Program year funding amounts for studies and projects of this program will be approved as program year capability amounts.

2-3 Individual Capabilities. Districts and divisions will prepare 5 separate capability tables, one for each: Studies, Preconstruction Engineering and Design, Construction, Operation and Maintenance, and Formerly Utilized Sites Remedial Action Program. All capabilities must be identical to the amount that could be used in the PY, which is included on PY members' list fact sheets. Every active authorized but uncompleted study and project, including those funded for completion in the PY-1 (unless moving from one category to another, such as fully funded PED to construction) must be listed as appropriate, (using its correct name) regardless of whether a capability is being recommended for it. Capabilities may be established for unauthorized studies and projects and modifications to study and project authorizations that are expected to be authorized in time to expend PY funds that may be appropriated in the PY. However, the need for authorization or modification must be noted under "Purpose of Additional Capability". Do not list inactive or deferred studies and projects, nor items programmed by HQUSACE, such as those of the continuing authorities programs.

2-4 Capabilities Relationships. Consistent with Reference 1.c., if a district commander has capability to initiate a study or project in addition to the basic program, normally, absent specific justification for zero capability, he has capability to initiate any other unbudgeted study or project. Similarly, if capability in excess of the budget amount is established for a study or project, normally additional capability can be established for any other study or project not budgeted at full capability. In all cases of zero capability, the reason must be explained under "Purpose of Additional Capability."

2-5 Unbudgeted Continuing Activities. Previously funded but currently unbudgeted activities may have capabilities recommended for them. Nevertheless, capabilities for: (1) recreation projects such as harbors with insignificant commercial benefits; (2) single-purpose vendible water supply and hydropower generation projects, unless associated with existing Corps reservoirs; or (3) bank stabilization projects for land preservation are generally not in accord with the Administration's priorities. For such cases, the following statement will be the final one

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under “Purpose of Additional Capability”: “Note: The Administration’s review of this project has identified economic and/or policy concerns.”

2-6 New Starts. Candidate studies and projects meeting the eligibility criteria of Enclosure 1 through 5 will have new start capabilities recommended for them. Generally, candidate new construction starts will have capabilities recommended for them if they are on the list of eligible new starts in the PY Budget Memorandum, since these have passed review for cost sharing, financing, and sponsorship in accordance with PL 99-662. Nevertheless, if a willing sponsor supports a new start not on this list, and the criteria in Enclosure 3 have been met a capability may be established. If the project does not comply with current policy, the following statement will be the final one under “Purpose of Additional Capability”: “Note: The Administration’s review of this project has identified economic and/or policy concerns.” New start Major Rehabilitation projects will be shown on the Construction table under the Construction, General, (CG) or Flood Control, Mississippi River and Tributaries Project (MR&T) appropriations, as applicable.

2-7 Staffing. PY capabilities are based on full-time equivalent (FTE) work years for the PY-1, adjusted to reflect each division’s relative workload in the PY. Lack of work years is not, by itself, a reason for recommending zero capability.

2-8 Capability Revisions. Significant revisions to approved capabilities, including revisions to below budget amounts, may be recommended at any time before final congressional action on the PY appropriations act. Small revisions within district and division reprogramming authorities should not be recommended, and, in the interest of minimizing correspondence between divisions and MSCs, single requests should be held and combined into collective ones to the fullest extent practicable. In all requests, show-approved capabilities and purposes, and the recommended revised ones, as in the sample format of Enclosure 10. Once revisions are approved by the MSC, they are entered into the PRISM/PBS database by the MSC. Divisions and districts will then be able to print revised capability tables on location, whereupon they are to advise all parties formerly informed of study or project capabilities of any approved revisions. Only CECW-I will inform the appropriations committees of approved revisions.

2-9 Remaining Items Programs. Information required for preparation of PY funding capabilities for remaining items programs and activities, such as the continuing authorities programs, will be requested, as needed, by separate correspondence.

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SECTION 3 -CAPABILITY ESTABLISHMENT

3-1 Purpose of Additional Capability. In view of the use of capabilities by local interests and Congress in establishing program recommendations, statements of additional capabilities must be clear and meaningful, identifying, in lay terms, specific additional items to be accomplished with additional funds. Avoid abbreviations and Corps terminology such as GDM, milestone, and Phase I which are meaningless to many that use capability information. State, under Purpose of Additional Capability, specific uses to be made of additional funds and effects on schedules. Enclosures 3-7-1 through 3-7-5 list standard statements for use under Purpose of Additional Capability, whereas Enclosure 3-8-1 lists remarks that are unacceptable for reasons indicated.

3-2 Studies. All active specifically authorized studies and reviews of deferred and completed projects under the Investigations (I) or MR&T appropriations will be listed in the Studies table. Since FY86, reviews of deferred and completed projects have been part of the defended program; therefore, individual capabilities will be expressed for them.

3-3 Preconstruction Engineering and Design (PED). All PED for authorized projects of the I and MR&T programs will be listed in the PED table. In addition, PED for projects covered in favorable survey reports of these two programs, scheduled to be sent by the division commander to HQUSACE in the PY, will be listed in the table. The I category 400 and MR&T class 140 will be used for projects not authorized for construction; whereas, GI category 600 and MR&T class 160 will be used for those authorized for construction.

3-4 Construction. All active projects specifically authorized for construction and all Dam Safety Assurance projects with evaluation reports approved, but construction uncompleted before the PY, will be listed in the Construction table. This includes projects in CG categories 211, 220, 231, 240, 411, 412, 511, 520, 531, 540, 600, 640, 721, 771, 772, and 791, and MR&T categories 310, 314, 320, and 324. New start and continuing Major Rehabilitation projects, and continuing ones initiated with CG funds will also be listed, including those in CG categories 813, 814, 816, 817, and 818. Major Rehabilitation projects with reconnaissance reports not approved will not be listed. (However, continuing Major Rehabilitation projects initiated with Operation and Maintenance, General, (O&M) funds will be listed in the O&M table.) Federal cost estimates for all construction projects with programmed work in the PY or a programmed balance to complete after the PY will include an allowance for inflation through the construction period.

3-5. Operation and Maintenance. All projects the Corps is responsible for operating and maintaining will be listed on the O&M table, even those unbudgeted and with zero capability. For such projects, zero capability will be explained with a remark such as "Project depths adequate for current use." (Remaining Items such as National Emergency Preparedness

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Program, Removal of Sunken Vessels, and Waterborne Commerce Statistics are not included and will not be listed). Generally, project-specific capability amounts for maintenance will be within the non-deferrable level. Unbudgeted capabilities will be limited to only high priority unbudgeted MAINTENANCE work items. Generally, only items in the MSC PY submission, not included in the President's budget and meeting criteria specified herein and in Enclosure 3-7-4, are eligible. Divisions and districts should review these items to ensure that they are still needed, in light of conditions which may have changed since the submission, and that capabilities for them are in accordance with guidance of Section 3-5, above. If, through this review, any items are found to be deferrable in the budget year or to have nonconforming capabilities, they should be eliminated. Conversely, the following work may be listed, provided it meets eligibility criteria here and in

Enclosure 3-7-4, and performance criteria in the annual Program Development Guidance EC:

- (1) Unbudgeted MAINTENANCE work due to some changed condition since the original budget submission;
- (2) Work to advance schedules on approved continuing major rehabilitation projects initiated with O&M funds; and
- (3) Engineering and design needed to accomplish high priority MAINTENANCE activities in the outyears.
- (4) Initial MAINTENANCE of projects authorized for Corps assumption of maintenance.

3-6. FUSRAP. All Formerly Utilized Sites Remedial Action Program (FUSRAP) sites for which funds have been requested in FY 07 will be listed. No potential new sites will be listed.

3-7. Eligibility Criteria for Capabilities - The specific criteria for each category may be found in the following enclosures.

- | | |
|--|------------|
| i) New Study Starts | Encl 3-7-1 |
| ii) New PED Starts | Encl 3-7-2 |
| iii) New Construction Starts | Encl 3-7-3 |
| iv) Operation and Maintenance | Encl 3-7-4 |
| v) New Major Rehabilitation Starts and Dam Safety Assurance Projects | Encl 3-7-5 |

3-8. Standard Statements for Capability Tables - Appropriate statements for each account are provided in the following enclosures. Special note is to be taken of the unacceptable statements.

- | | |
|--|------------|
| i) Capability Equal to or Greater than Budget | Encl 3-8-1 |
| ii) Capability is Zero | Encl 3-8-2 |
| iii) Unacceptable Statements for Capability Tables | Encl 3-8-3 |

3-9. Funding Capabilities—Submission Format - Exhibit 3-1 provides the format for submitting requests for establishment of Capabilities for the Study; PED, CG, O&M, and FUSRAP accounts.

3-10. PRISM Data Entry – Districts and divisions will use the PBS module of PRISM to submit and maintain PY funding capabilities. The Capability report is item #16 on the PBS

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Reports Menu screen. Refer to section B-2.7.5 in the PRISM Users Manual for data entry instructions. Data should be entered on Level C. Note also the following two additional items:

a) Capability Approval Date – A screen is available on the PBS menu (item #22) which division offices may use, if they so choose, to set an approval date which will display at the top of each page on the PBS Capability report. This date is set by appropriation code (A, B, C, EN, ER, ES, X) and is set division-wide.

b) Database Locking by Divisions – Division offices now have the ability to lock their districts out of making changes to levels B&C in the PRISM database. This may be useful for controlling changes to approved capabilities. To reach the Lock screen, select item #8 (System Utilities) from the main PRISM menu, and then item #1 (Lock / Unlock B&C Levels) from the System Utilities menu. On this screen, division users can use the code “M” to lock-out district updates, and code “B” to allow district updates. Other lock-out codes are still reserved for HQ use only. Refer to chapter B-8, pages 4 and 5, in the PRISM Users Manual for an explanation of this screen.

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New Study Starts

Eligibility Criteria for Capabilities

1. The study is authorized.
2. The needs to be addressed include at least one of the following: Commercial navigation; flood damage reduction; hurricane and storm damage reduction; and mitigation, restoration, or protection of environmental resources in accordance with Table 3 of EC 11-2-187.
3. The study whether proposed as an interim study or in full response to a study authority, will be cost shared (except for inland waterway studies) with a non-Federal local sponsor and will be conducted in two phases, a reconnaissance phase and a feasibility phase. The reconnaissance phase will be federally funded for \$100,000 and the feasibility phase will be cost shared on a 50/50 basis, with no more than one half of the non-Federal share to be in-kind services.
4. Evidence, obtained since 1 January of the PY-2, shows clearly that local interests support the study and do not oppose 50/50 cost sharing of the feasibility phase.

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New PED Starts

Eligibility Criteria for Capabilities

1. The project is: (a) authorized for construction, or (b) the Division Commander has scheduled issuance of a Public Notice (during the BY) that a favorable report, recommending authorization of a project for accomplishment by the Corps of Engineers, has been transmitted to CECW-B.
2. The project has primary out puts consistent those reflected in Para. A-2.3 of EC 11-2-187, and net economic benefits at the current discount rate; or the project is responsive to mitigation, restoration, or protection of environmental resources in accordance with Table 3 of the EC.
3. Evidence, obtained since 1 January of the PY-2, showing that local interests are not opposed to the up-front financing of the PED phase, with the local interests providing 25 percent of the PED costs.
4. Evidence, obtained since 1 January of the PY-2, shows clearly that local interests support the project and are willing and able to provide cost sharing and financing in accordance with concepts of the Water Resources Development Act of 1986 (PL 99-662), as amended by WRDA 1996 (PL 104-303).

Encl 3-7-2

FISCAL YEAR 2008 FUNDING CAPABILITIES

**New Construction Starts
Eligibility Criteria for Capabilities**

1. The project is authorized for construction.
2. Appropriate evaluation of project merits is presented in a Corps report and, in the case of a project justified based on NED benefits, net benefits are firm and based on an approved M CACES baseline cost estimate and the current discount rate; or the project is responsive to mitigation, restoration, or protection of environmental resources in accordance with Table B-2.1 of EC 11-2-187.
3. Preconstruction engineering and design will be fully funded by the end of the PY-1, and execution of the PCA and approval of the financing plan by ASA(CW) are scheduled to occur by the end of June of the PY.
4. The Project Manager has confirmed that the sponsor understands its contractual and financial commitments and is able to meet the funding requirements of the construction schedule, including payback of its share of PED costs.
5. The project is in compliance with environmental statutes applicable to the current stage of implementation. An Environmental Assessment/Finding of No Significant Impact has been signed, or a final EIS or supplement was filed with EPA unless the project is subject to Section 404 (r) of PL 95-217.
6. The planning and review process for the recommended plan was completed by ASA(CW). For projects with project plans essentially unchanged from those presented in feasibility reports with engineering appendices approved by ASA(CW), the feasibility reports will serve as the necessary document. For all other projects, a HQUSACE approved GRR will be required in accordance with CECW-A Policy Memorandum No. 2, 7 April 1995, subject: Civil Works Decision Document Review - Policy Compliance. If the economic analysis in the applicable document was approved earlier than PY-5, a LRR on the project economics will be required. The LRR may be approved by the MSC.
7. If a post authorization change is required, only routine issues are involved which will not require congressional authorization.
8. No known or reasonably anticipated conditions or unresolved issues exist which might prevent either: (1) award of the first significant construction contract by the end of the PY; or (2), if the sponsor does not have title to the required lands and easements, the start of real estate acquisition so that the scheduled first significant construction contract can be awarded by the end of PY+1. Planning, engineering, and design work should be far enough along in the PY so that the orderly and continuous progression of construction is assured with the scheduled award of the first construction contract.
9. Any authorized environmental mitigation is scheduled to be funded concurrently and proportionately with construction.

Encl 3-7-3

FISCAL YEAR 2008 FUNDING CAPABILITIES

**Operation and Maintenance
Eligibility Criteria for Capabilities**

1. The project is one for which the Corps is authorized to perform operation and maintenance.
2. The activity requires at least \$100,000. (Activities may not be grouped to achieve the \$100,000 cutoff.)
3. For unbudgeted projects, only the following high priority MAINTENANCE activities may be shown on the O&M table: Dam maintenance; Lock maintenance; Power plant maintenance; Maintenance of natural resources; Non-recreational road and bridge maintenance; Breakwater, jetty, and seawall maintenance; Maintenance of levees, floodwalls, and hurricane barriers, and other non-dredging flood control channel maintenance; Pumping plant maintenance; Maintenance of recreational facilities; Maintenance and purchase of non-recreation operating equipment; Bank stabilization, maintenance of revetments, dikes, and other measures to prevent sloughing, erosion, and meandering of channels; Maintenance of non-recreational buildings, grounds, and utilities; Channel and canal maintenance.
4. In order to ensure nationwide consistency, explanations under the “Purpose of Additional Capability” column should be limited to one, short, concise sentence, structured as follows:
 - a. Start with a key verb, such as “repair,” “replace,” “paint,” “construct,” etc.
 - b. Follow with a brief description of the facility, as follows:
 - “Repair concrete cap on south breakwater”
 - “Repair roads in recreation areas”
 - “Replace lock tow haulage equipment at Lock and Dam 3”
 - “Paint dams gates at Lock and Dam 11”
 - “Construct protection cells upstream of Lock and Dam 22”
 - “Repair lock guide all (major rehab)”
 - c. Revise the descriptions existing in the CECW-OM database, if necessary, to comply with this guidance.
5. In the case of additional dredging capability recommendations, the specific area or feature to be dredged should be described, as well as the estimated volume of additional dredged material to be removed. Example: “Dredge entrance channel (100,000 CY).”
7. Unbudgeted active projects with a zero capability will have this explained with a remark such as “Project depths adequate for current use.”
8. Do not list items programmed by HQUSACE, such as Removal of Sunken Vessels, Waterborne Commerce Statistics, and National Emergency Preparedness Program.

Encl 3-7-4

FISCAL YEAR 2008 FUNDING CAPABILITIES

New Major Rehabilitation Starts and Dam Safety Assurance Projects
Eligibility Criteria for Capabilities

1. A reconnaissance or evaluation report, as applicable, has been approved by HQUSACE and concurred with by ASA(CW).
2. The first construction contract is scheduled for award by the end of the PY.
3. No additional congressional authorization is required for the proposed work.

ENCL 3-7-5

FISCAL YEAR 2008 FUNDING CAPABILITIES

Standard Statements for Use in Capability Tables**Capability Equal to or Greater than Budget**

Statement	Situation to be used
No additional requirement.	Capability is same as budget request, not zero, and project or study is not funded for completion.
Complete study, PED, or project.	Item will be completed with requested capability, whether greater than or the same as the budget amount.
Complete project except for unprogrammed _____ (specific feature name).	Item will be completed with requested capability, whether greater than or the same as budget amount, except for unprogrammed feature.
Initiate reconnaissance phase of study.	No previous funds have been allocated for item, and item is not in budget.
Initiate and complete reconnaissance phase of study. is not in budget.	No previous funds have been allocated for item, and item
Complete reconnaissance phase of study.	Item will be completed with requested capability, whether greater than or the same as the budget amount.
Complete reconnaissance phase of study and initiate feasibility phase of study.	Reconnaissance phase has been partially funded and will be completed with requested capability, whether greater than or the same as the budget amount, and no previous funds have been allocated for feasibility phase.

Encl 3-8-1

FISCAL YEAR 2008 FUNDING CAPABILITIES

Standard Statements for Use in Capability Tables**Capability Equal to or Greater than Budget (continued)**

Statement	Situation to Be Used
Initiate feasibility phase of study.	Reconnaissance phase of study has been fully funded, no previous funds have been allocated for feasibility phase, and study is not in budget. Initiate PED or project. No previous funds have been allocated for item, and item is not in budget.
Initiate _____ (specific feature name).	No previous funds have been allocated for item, and item is not in budget.
Continue study, PED, or project.	Item is not in budget, but physical progress has not completely halted and will be continued with capability amount.
Continue Engineering and Design	Design Item is not in budget, has been funded for construction but construction is not underway, and engineering and design will be continued with capability amount.
Advance study, PED, or project completion _____ (quantity) months.	Item is in budget, and physical progress of entire item can be accelerated with capability accelerated with capability amount.
Advance completion of _____ (specific feature name) _____ (quantity) months.	Item is in budget, and physical progress of specific feature can be accelerated with capability amount.
Stabilize bank at _____ (specific feature name) to protect shoreline development.	Item is not in budget, but could be accomplished with capability amount.

FISCAL YEAR 2008 FUNDING CAPABILITIES

Standard Statements for Use in Capability Tables**Capability Equal to or Greater than Budget (continued)**

Statement	Situation to Be Used
Dredge _____ (specific feature name) _____ (quantity) CY.	Item is not in budget, but could be accomplished with capability amount.
Repair _____ (specific feature name).	Item is not in budget, but could be accomplished with capability amount.
Resume study, PED, or project.	Item is not in budget, and all physical progress has halted, but will be resumed with capability amount.
Note: The Administration's review of this project has identified economic and/or policy concerns.	Item is not in budget, but has been directed to be undertaken in appropriation act language and will incur follow-on commitments in the BY as the result of the directive language. (Note must be added at the end of "Purpose of Additional Capability" for applicable projects).

FISCAL YEAR 2008 FUNDING CAPABILITIES

Standard Statements for Use in Capability Tables**Capability is Zero**

Statement	Situation to Be Used
Study, PED or project will continue with available funds.	Zero budget and capability; however, item will continue with available funds.
Engineering and design will continue with available funds.	Zero budget and capability, but item has been funded for construction and engineering and design will continue with available funds.
Reconnaissance phase of study is fully funded.	Zero budget and capability; however, reconnaissance phase of study will complete with available funds.
Fully funded.	Zero budget and capability; however, item will complete with available funds.
Fully funded except for unprogrammed ____ (specific feature name).	Zero budget and capability; however, item will complete with available funds, except for unprogrammed feature.
Combined with the ____ (name) study.	Item is being addressed under another study authority.
Being studied under Section ____ (number) continuing authority program for small ____ (type) projects (use for authorized studies.) Project depth(s) adequate for current use.	Item is being addressed under a specific continuing authority program. Zero budget and capability because no dredging is presently needed.

Encl 3-8-2

Standard Statements for Use in Capability Tables

Capability is Zero (continued)

Statement	Situation to Be Used
Periodic nourishment not currently required.	Zero budget and capability because no beach nourishment is presently needed.
Deferred pending completion of _____ (name) report.	Zero budget and capability pending report completion.
Deferred pending demonstration of need for (feature name).	Zero budget and capability pending demonstration of need.
Dredging deferred pending construction of confined disposal facility.	Zero budget and capability pending construction of confined disposal area.
Dredging deferred pending identification of disposal areas.	Zero budget and capability pending identification of disposal areas.
Being constructed by local interests.	Zero budget and capability because project is being constructed by local interests at their expense.
To be constructed by local interests with subsequent Federal reimbursement.	Zero budget and capability pending construction by local interests.
Periodic nourishment to be accomplished by local interests with subsequent Federal reimbursement.	Zero budget and capability pending beach nourishment by local interests.

FISCAL YEAR 2008 FUNDING CAPABILITIES

Standard Statements for Use in Capability Tables**Capability is Zero (continued)**

Statement	Situation to Be Used
Lack of local cooperation.	Zero budget and capability due to specific indication of lack of local cooperation in recent past and study or project has not been reclassified from active category.
Lack of recent expression of local interest.	Zero budget and capability resulting from no specific event indicating lack of local support; however, considerable time has passed since last expression of support and interest.
Lack of adequate local support.	Zero budget and capability because adequate assurances of local cooperation have not been provided even though local interests may favor project (PED only).
Proposed for non-Federal financing interests.	Zero budget and capability because the item has been proposed for financing by non-Federal
Cost sharing and financing by local interests are unavailable.	Zero budget and capability because the non-Federal sponsor has definitely indicated that cost sharing and financing as reflected in PL 99-662 are unavailable.
Cost sharing and financing by local interests are unlikely.	zero budget and capability because the non-Federal sponsor has not provided a letter of commitment for cost sharing and financing reflected in PL 99-662 and it is unlikely that a commitment will be forthcoming.

FISCAL YEAR 2008 FUNDING CAPABILITIES

Standard Statements for Use in Capability Tables**Capability is Zero (continued)**

Statement	Situation to Be Used
Being constructed with non-Federal funds.	Zero budget and capability because project is being constructed by Corps with non-Federal funds.
Under review.	Zero budget and capability pending further review and coordination of the requested item (For HQUSACE use only).
Cost sharing and financing policy has not been established.	zero budget and capability because cost sharing and financing policy has not been established.
Extent of Federal interest under review.	zero budget and capability because extent of Federal interest is under review.
More appropriately accomplished by _____ (other Federal, State, or local agency).	zero budget and capability because the item is more appropriately accomplished by another Federal, State, or local agency.
Does not meet economic selection criteria.	Zero budget and capability because the item does not meet current economic selection criteria.
Washington level review not completed.	Zero budget and capability pending completion of project document review by HQUSACE, ASA(CW), and OMB.

FISCAL YEAR 2008 FUNDING CAPABILITIES

Standard Statements for Use in Capability Tables**Capability is Zero (continued)****Statement**

Federal accomplishment not in accord with current priorities.

Situation to Be Used

Zero budget and capability because Federal accomplishment is not in accord with the Administration's priorities, e.g. studies or projects that would provide primarily recreational benefits or single purpose vendible outputs, or primarily bank stabilization benefits (see paragraph 3.c of basic memorandum).

FISCAL YEAR 2008 FUNDING CAPABILITIES

Unacceptable Statements for Capability Tables

Unacceptable Statement	Reason for Unacceptability
Capability required to maintain schedule.	the schedule is established by the budget amount and this statement will not be used in approving the initial capability submission. However, subsequent recommendations for revisions may explain that additional capability requirements are to prevent slippage's due to increased cost for budgeted work.
Additional O&M requirements.	Meaningless.
Required to operate.... (an existing facility or feature).	Minimum funds for operation of existing facilities have been provided within the budget amount.
Hire four additional temporary employees or Fund service contract.	Statements are to indicate what specific additional items are to be accomplished with additional funds, not method of accomplishing additional work.
Dredging or Additional dredging.	Too general; indicate specifically what additional area or feature will be dredged. Additional volume to be dredged must also be indicated.
Excessive District and AE workload or lack of personnel.	Statement is inconsistent with definition of "individual" study or project capability, as the next added increment to the President's budget.

Encl 3-8-3

Unacceptable Statements for Capability Tables (continued)

Unacceptable Statement

Reason for Unacceptability

Report submitted to HQUSACE,
Secretary of the Army,
or OMB.

Status of report not required.
Further, statement implies that
review is being unnecessarily delayed. Correct
statement is usually "Fully funded."
the statement should not
preempt report findings and the issuance of the
Division Commander's Public Notice.

Negative report being
prepared.

Contingent upon
reprogramming \$ ____
during FY XX.

Capability is not to be
dependent upon a reprogramming
action. The capability is either incorrect or the
qualifier is redundant. Furthermore, the
reprogramming process should not be influenced
by capability statements. However, should a
reprogramming be accomplished, the capability
subsequently may be revised, if appropriate.

Miscellaneous

Meaningless.

Exhibit 1-3
CORPS OF ENGINEERS
FUNDING CAPABILITIES FOR FY _ 1/
IN _____ 2/

DATE:

NAME OF SURVEY OR PROJECT	CATEGORY 3/ CAPABILITY	PURPOSE OF ADDITIONAL CAPABILITY
---------------------------	------------------------	----------------------------------

(SAMPLE FORMAT FOR USE AS AN ENCLOSURE TO A LETTER)

1/ Although project and study capabilities reflect the readiness of the work for accomplishment, they are in competition for available funds and manpower Army-wide. In this context, the FY _ capability amounts shown consider each project or study by itself without reference to the rest of the program. However, it is emphasized that the total amount proposed for the Army's Civil Works Program in the President's budget for FY __ is the appropriate amount consistent with the Administration's assessment of national priorities for Federal investments. In addition, the total amount proposed for the Army's Civil Works Program in the President's Budget is the maximum that can be efficiently and effectively used. Therefore, while we could utilize additional funds on individual projects and studies, offsetting reductions would be required in order to maintain our overall budgetary objectives.

2/ Indicate State, Congressional District, or other regional designation when applicable.

3/ Categories include Study (S), PED (P), Construction (C), Major Rehabilitation (MR), Dam Safety Assurance (DS), and Operation and Maintenance (O&M), and Formerly Utilized Sites Remedial Action Program (FUSRAP).

(Note: This Table is correction to the one previously found on page 9 in vertical format)

**Exhibit 3-1
FUNDING CAPABILITIES FOR FY 2007**

(Sample format for use in requesting revisions to previously approved capabilities.)

Division

Recommended Revisions to Previously Approved Budget FY _ Capabilities 1/
Construction Projects 2/
(Amounts in Thousands)

Cong Dists	Study/Project and State 3/	Type	Estimated Federal Cost 4/5	Amount In President's Budget	Capability	Purpose of Additional Capability
NY 30	Study Study A, NY	FDP	330 (330)	50 (50)	100 (50)	Advance study completion 6 months. (No additional requirement.)
NY 37, 38	PED Project B, NY	N	6,850 (6,850)	0 (P) (0 (P))	0 (P) (250 (P))	Lack of local cooperation. (Initiate PED.)
IL 20	Construction Project C, IL	FC	4,900 (4,900)	150 (C) (150 (C))	2,000 (C) (150 (C))	Advance project completion 12 months. (No additional requirement.)
Operation and Maintenance						
LA 9	Project D, LA	N		1,000	2,000	Dredge 18 miles of Inner Channel (800,000 CY). 800
		(N)		(1,000)	(1,800)	Riprap exterior breakwater. 200 (Dredge 18 miles of Inner Channel (800,000 CY).) (800)
NJ3	FUSRAP Project E, NY		500 (400)	2,000 (2,000)	2,500 (2,400)	To complete the project. (To complete the project.)

1/ Previously approved amounts and comments are shown in parentheses.

2/ Insert title as appropriate: Studies, Preconstruction Engineering and Design, Construction Projects, Operation & Maintenance, or FUSRAP Sites Remedial Action Program..

3/ Column heading for Studies is Study and State.

4/ Column heading for Operation and Maintenance is Type.

5/ Column heading for FUSRAP is Balance to Complete after PY.

DISTRICT
FISCAL YEAR 2008 FUNDING CAPABILITIES

AUTHORIZED STUDIES
(Amounts in Thousands)

Congressional Districts	Study & State	Type	Estimated Federal Cost	Amount Included In President's Budget	Study Capability	Purpose of Additional Capability
-----	-----	---	-----	-----	-----	-----
LA 6	AMITE RIVER AND TRIBUTARIES ECOSYSTEM RESTORATION, LA	(E)	2,100	150	600	ADVANCE FEASIBILITY COMPLETION 6 MONTHS.
LA 3, 6	AMITE RIVER AND	(FDP)	2,033	100	700	ADVANCE FEASIBILITY COMPLETION 6MONTHS.
LA 6	CAMERON LOOP, LA (SEC 509)	(N)	100 1/	0	50	INITIATE RECONNAISSANCE PHASE OF STUDY.

NOTE: Although project and study capabilities reflect the readiness of the work for accomplishment, they are in competition for available funds and manpower army-wide. In this context, the FY 2008 capability amounts shown consider each project or study by itself without reference to the rest of the program. However, it is emphasized that the total amount proposed for the Army's Civil Works program in the President's Budget for FY 2008 is the appropriate amount consistent with the Administration's assessment of national priorities for federal investments. In addition, the total amount proposed for the Army's Civil Works program in the President's Budget is the maximum that can be efficiently and effectively used. Therefore, while we could utilize additional funds on individual projects and studies, offsetting reductions would be required in order to maintain our overall budgetary objectives.

1/ Reflects reconnaissance phase cost estimate only.

Exhibit 3-1 B

**DISTRICT
FISCAL YEAR 2008 FUNDING CAPABILITIES**

**PRECONSTRUCTION ENGINEERING AND DESIGN
(Amounts in Thousands)**

Congressional Districts	Project & State	Type	Estimated Amount Included			Purpose of Additional Capability
			Federal Cost	In President's Budget	Project Capability	
LA 1, 2, 3 4, 6, 7	BAYOU SORREL LOCK, LA	(N)	1,500	110	500	ADVANCE PED COMPLETION 6 MONTHS.
LA 1, 2	JEFFERSON PARISH, LA	(FC)	1,500	25	25	NO ADDITIONAL REQUIREMENT.
LA 3, 7	LAFAYETTE PARISH, LA	(FC)	750	125	750	NO ADDITIONAL REQUIREMENT.

NOTE: Although project and study capabilities reflect the readiness of the work for accomplishment, they are in competition for available funds and manpower army-wide. In this context, the FY 2008 capability amounts shown consider each project or study by itself without reference to the rest of the program. However, it is emphasized that the total amount proposed for the Army's Civil Works program in the President's Budget for FY 2008 is the appropriate amount consistent with the Administration's assessment of national priorities for federal investments. In addition, the total amount proposed for the Army's Civil Works program in the President's Budget is the maximum that can be efficiently and effectively used. Therefore, while we could utilize additional funds on individual projects and studies, offsetting reductions would be required in order to maintain our overall budgetary objectives.

Exhibit 3-1 C

FISCAL YEAR 2008 FUNDING CAPABILITIES

CONSTRUCTION PROJECTS

(Amounts in Thousands)

Congressional Districts	Project & State	Type	Estimated Fed, IWTF, & HMTF Cost	Amount Included In President's Budget	Project Capability	Purpose of Additional Capability
TX 6	ASCENSION ENVIRONMENTAL INFRASTRUCTURE, TX	(E)	6,600		0 (C)	1,000 (C) INITIATE PROJECT.
LA 1, 3, 6	COMMON RIVER, LA	(FC)	108,000 1/		3,000 (C)	7,000 (C) COMPLETE P&S AND AWARD CONTRACT FOR LILLY BAYOU 2,000 INITIATE PLANS AND SPECIFICATIONS FOR DIVERSION CHANNEL. 2,000
LA 3	GRAND ISLE AND VICINITY, LA	(FC)	36,547 1/		0 (C)	0 (C) COMPLETE STUDY.

NOTE: Although project and study capabilities reflect the readiness of the work for accomplishment, they are in competition for available funds and manpower army-wide. In this context, the FY 2008 capability amounts shown consider each project or study by itself without reference to the rest of the program. However, it is emphasized that the total amount proposed for the Army's Civil Works program in the President's Budget for FY 2008 is the appropriate amount consistent with the Administration's assessment of national priorities for federal investments. In addition, the total amount proposed for the Army's Civil Works program in the President's Budget is the maximum that can be efficiently and effectively used. Therefore, while we could utilize additional funds on individual projects and studies, offsetting reductions would be required in order to maintain our overall budgetary objectives.

1/ Cost estimate includes an allowance for inflation through the construction period.

Exhibit 3-1 D

**NEW ORLEANS DISTRICT
FISCAL YEAR 2008 FUNDING CAPABILITIES**

**OPERATION AND MAINTENANCE
(Amounts in Thousands)**

Congressional Districts	Project & State	Type	Amount Included		Purpose of Additional Capability
			In President's Budget	Project Capability	
-----	-----	---	-----	-----	-----
LA 6	MIGHTY RIVER & BAYOU MISTY, LA	(N)	0	0	PROJECT DEPTHS ADEQUATE FOR CURRENT USE
KY 3	FLY RIVER, KY	(N)	14,681	14,681	NO ADDITIONAL REQUIREMENT.
LA 3	BARABAS BAY WATERWAY, LA	(N)	0	2,200	DREDGE BAY CHANNEL 700 DREDGE BAR CHANNEL 500 DREDGE BAYOU RIGAUD 400 CONSTRUCT BREAKWATER MILE 36.2 600

NOTE: Although project and study capabilities reflect the readiness of the work for accomplishment, they are in competition for available funds and manpower army-wide. In this context, the FY 2008 capability amounts shown consider each project or study by itself without reference to the rest of the program. However, it is emphasized that the total amount proposed for the Army's Civil Works program in the President's Budget for FY 2008 is the appropriate amount consistent with the Administration's assessment of national priorities for federal investments. In addition, the total amount proposed for the Army's Civil Works program in the President's Budget is the maximum that can be efficiently and effectively used. Therefore, while we could utilize additional funds on individual projects and studies, offsetting reductions would be required in order to maintain our overall budgetary objectives. Budget and capability amounts reflect federal funds, except for projects with costs allocated to navigation, for which the amounts include non-federal funding from the inland waterways & harbor maintenance trust funds.

Exhibit 3-1 E

**DISTRICT
FISCAL YEAR 2008 FUNDING CAPABILITIES**

FORMERLY USED SITES REMEDIAL ACTION PROGRAM

(Amounts in Thousands)

Congressional Districts	Project & State	Type	Amount Included		Purpose of Additional Capability
			In President's Budget	Project Capability	
MO 2, 3	DRT PROPERTIES HAZELWOOD, MO		5,160	15,000	PERFORM ADDITIONAL REMEDIATION.
IL 12	MAD SITE MAD, IL		0	0	NO ADDITIONAL REQUIREMENT.

NOTE: Although project and study capabilities reflect the readiness of the work for accomplishment, they are in competition for available funds and manpower army-wide. In this context, the FY 2008 capability amounts shown consider each project or study by itself without reference to the rest of the program. However, it is emphasized that the total amount proposed for the Army's Civil Works program in the President's Budget for FY 2008 is the appropriate amount consistent with the administration's assessment of national priorities for federal investments. In addition, the total amount proposed for the Army's Civil Works program in the President's Budget is the maximum that can be efficiently and effectively used. Therefore, while we could utilize additional funds on individual projects and studies, offsetting reductions would be required in order to maintain our overall budgetary objectives.